

"When Nixon initiated Phase I of the new economic policy (NEP)," says author Martin Nicolaus, "he was reacting to two particular crises, the first being the crisis of overproduction and the second being the balance of payments and trade crisis."

Nicolaus, an ex-sociologist and author of "The Unknown Marx" and "Fat Cat Sociology," spoke Thursday evening on Nixon's new economic policies and the new world crisis.

The big controversy of the overproduction crisis is "who can afford to buy things," says Nicolaus. The factories are becoming more mechanized and automatic, thus driving many workers out of jobs. The stockpiling cannot be sold while the producers are on welfare and unemployment.

"It is a clear case of erosion of buying power versus increased capitalistic production."

By RANDY YOUNG  
Of the Emerald

On the international scene, Nixon's announcement of the non-converting and devaluation of the dollar was in reaction to a large outflow of American dollars to other countries, says Nicolaus.

One third of all American corporations expand abroad and take billions of dollars in capital with them. Nixon calls these people "speculators and money manipulators." However, many of these companies were big Nixon supporters in the last election, says Nicolaus.

"These companies only want profit," says Nicolaus, "and they speculate by buying other countries' currencies. They couldn't however, make a profit unless there was a dollar devaluation."

The question arises as to where the pool of 50 to 70 billion dollars these companies speculate with comes from.

"It didn't come from U.S. trade relations in commodities," says Nicolaus, "because there are not more dollars going out than there are coming in, nor did the funds emanate from foreign aid, as the U.S. is not too generous and most aid is spent in the U.S."

"The vast pools of speculators' money come, in fact, from military spending,"

Martin Nicolaus says:

## Nixon's new economic policy reacting to crises

Nicolaus explains. When American corporations go into foreign countries, they demand protection from military. At this time the U.S. has two to three thousand military bases around the world, says Nicolaus, and the cost is tremendous.

"Since 1953, the U.S. has been paying two thirds of the French Indochina war costs plus the costs of the new Indochina war," says Nicolaus. "A very conservative estimate for total foreign expenditures by the military comes close to 130 billion dollars."

"These military expenditures are the major causes for the balance of payments deficit for the last twenty years," he adds.

How does one raise money to finance a war?

One method is to openly tax the population, however the government doesn't prefer to do that because it is very visible to the citizen, says Nicolaus.

The second and most preferred way is to just print more money. The process begins by the Secretary of the Treasury asking for an extension of the national debt ceiling (which presently is about 420 billion dollars). To finance this extension, the government borrows money, through bonds, from a banking co-operative in New York. These banks in turn get a share of the government's tax revenues through a 27 per cent interest on the bonds, says Nicolaus.

"The Federal Reserve Bank then buys these bonds from the bank co-op at full face value, with money freshly printed and delivered by a mint officer."

"This is what the government is doing to support the Vietnam war," says Nicolaus, "and the dollar is becoming worthless. The result is that American imperialism is being defeated in Indochina."

The second main crisis, nationally and internationally, is the balance of trade

deficit.

"During the past years there has been a constant creeping-up of prices on U.S. products. This increase is larger and faster than any other capitalistic country and more foreign powers are attracted not to buy American products because they are more expensive," says Nicolaus.

"The U.S., in effect, has priced itself out of the world market."

Here in America, the freeze on wages has accomplished in taking away the wages of union workers rather than just establishing a ceiling, says Nicolaus.

"This put frozen raise funds in the owners' pockets and over 1.5 billion dollars worth of raises were transferred to the profit side of the ledgers."

Since Phase I unions and the Senate Banking Committee have fought for retroactivity of wages and raises. To force the return of these wages, says Nicolaus, the union must be strong and organized.

"The coal miners union got militant and got away with a 15 1/2 per cent pay increase. However, the employees of Frigidare in Dayton, Ohio took a 25 cent decrease in hourly wages and benefit cuts in order to allow more workers back on the payroll," says Nicolaus.

In spite of the NEP and national crises, corporations have had significant increases in their profits, says Nicolaus. "Ford Motor Company had a 45.5 per cent increase in profits last year in spite of the overproduction crisis, and Bethlehem Steel Corporation experienced a 50 per cent increase in profits."

Tax cuts are being enforced for corporations and tax-payers alike. However, the values of such a cut for the individual will diminish in relation to increasing prices.

The 14 per cent tax cut for the corporations are to go towards more

machinery, says Nicolaus. This total of eight to nine billion dollars will just increase the overproduction crisis, because at this time 25 per cent of the nation's machinery stands idle.

"It will just put that many more people out of jobs."

The NEP is dropping the seven per cent excise tax on automobiles, and Detroit manufacturers say it will be good for the economy and that it will create 50,000 more jobs in Detroit. This fact, however, stands on the presumption that there will be no further automation, dealers won't add on more costs and that the consumers will have the money to buy cars in the first place, says Nicolaus.

"This is too paltry a thing to have any real effect."

"Furthermore, the federal employment will be cut five per cent," says Nicolaus. "This is stupid. Perhaps Mr. Nixon thinks that they should all go to Detroit and get jobs as autoworkers."

"The welfare reforms in NEP copy California Governor Ronald Reagan's policies to force people to go to work to earn their welfare checks, says Nicolaus.

This work may be as "scab" workers to break strikes, or in labor camps which are a step up to the slave labor camps such as the Japanese were held in during World War II."

"As to Phase III," says Nicolaus, "I really can't foresee exactly what it will consist of as Mr. Nixon is full of tricky surprises."

"There has been a five per cent decrease in total trade in capitalistic countries, and the chances for a quick and absolute recovery are almost nil. Conditions are getting progressively worse and will most likely continue at this pace for the next two to three years," Nicolaus says.

"No changes can be made until this government is replaced; not only the party, because that is not going to make much difference in the NEP. The chances for a socialist revolution for the reconstruction of this society are very good."

"Only a socialist government can free people from manual labor and yet give the people a job."

## Funding requested for coordinating agency

A new agency may be funded with \$2590 by the ASUO next year to handle student coordination with the State Legislature.

Proponents of the new agency, called the Legislative Coordinator, presented a budget request for 1972-73 at Friday night's ASUO Fiscal Affairs Committee hearing.

Other student agencies which presented budget proposals for next year were the ASUO Executive office, the ASUO Senate office and ASUO Legal Services.

Included in the budget proposal for a Legislative Coordinator office was one agency director, to be paid for nine months at \$105 a month, and a secretary, to be paid for nine months at \$40 a month.

The \$2590 budget request also called for \$450 for telephone and telegraph costs, \$50 for postage, \$50 for office supplies, \$100 for printing and duplication, \$500 for travel and \$100 for reference material.

ASUO Senate President Stephanie Larsen and ASUO Controller Ray Meehan, who presented the request, explained to the committee that funding for legislative coordination had been "squeezed" out of the ASUO Executive's budget this year and last year.

Ms. Larsen said the agency director's responsibilities would be to "keep track of all of the bills" and to "make sure" that all students who want to lobby can do so.

Meehan said the director would be elected by consensus from an ASUO Senate legislative committee, the ASUO President, and the total student body.

The ASUO Executive office's budget request for 1972-73 was \$2525 less than it received for this school year. Its request was for \$25,830.

Line item increases in the budget request were for temporary employees from \$200 to \$400 and for publicity from \$500 to \$1000.

ASUO Administrative Assistant Al King, who presented the executive's budget proposal, said the increase for temporary employees was "pretty reasonable" because of work with the State Legislature.

King explained the publicity request increase by saying, "We've been stymied several times according to cost of publicity this year."

The major line item decrease in the executive's 1972-73 budget request was the elimination of a reserve fund, which amounted to \$3590 this year, King said. Also, the executive requested \$150 less for set up and \$150 less for audio visual, and \$500 less for research and development.

The request for 1972-73 by the ASUO Senate office was virtually the same as this year's \$19,503 senate budget, except for a request for an increase in the senate reserve fund from \$12,000 to \$20,000.

Tonight at 7 in 337 EMU, the committee will hear a budget request from the Athletic Department.

Ms. Larsen, who presented the senate office's request, told the committee, "A lot depends on the philosophy of the committee" as to the "flexibility" of the senate reserve fund.

The ASUO Legal Services presented a 1972-73 budget request which was about the same as this year's amount allocated to it.

Under the 1971-72 contract between the ASUO and ASUO Legal Services, the services will receive \$17,375, plus a \$1000 contingency fund if the services' caseload increases to a certain level.

Robert Ackerman, Springfield lawyer and attorney for the ASUO Legal Services, who presented the 1972-73 budget request, said the request for next year is \$18,000 with a \$1000 contingency fund.

Ackerman reported that, up until Feb. 15 more than 400 students had consulted the ASUO Legal Services office for advice, many wanting legal help in landlord-tenant disputes.

He said the legal services office has served "a real cross-section of the University community" this year, in its first year of existence. "I've been amazed at the variety of student that has come in," Ackerman said, "but primarily the student that comes in to see us is of low-income or minority groups."

The ASUO Legal Services consists of two lawyers, Ackerman and Springfield attorney R.C. Owens, and two secretaries.



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tea, n., the prepared leaves of a shrub from which a drink is made.

truffle, n., grows underground, valued as a food.

wine, n., the juice of grapes after it has fermented.

nut, n., a dry fruit or seed with a hard, woody, or leathery shell and with a kernel inside which is good to eat.

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